

STATE OF MICHIGAN
IN THE 30TH JUDICIAL CIRCUIT
COUNTY OF INGHAM

MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY, and
STEVEN E. CHESTER, Director of the
Michigan Department of Environmental
Quality,

File No. 03-1662-CE

Hon. James R. Giddings

Plaintiffs,

v

VREBA-HOFF DAIRY, LLC,

Defendant.

Alan F. Hoffman (P24079)
Assistant Attorney General
Environment, Natural Resources &
Agriculture Division
P.O. 30755
Lansing, MI 48909
(517) 373-7540
Attorney for the Plaintiffs

Jack A. VanKley
VanKley & Walker, LLC
132 Northwoods Blvd., Ste. C-1
Columbus, OH 43235
Attorney for Defendant

Charles R. Bappert (P41647)
Biringer Hutchinson Lillis Bappert & Angell
100 West Chicago Street
Coldwater, Michigan 49036
(517) 279-9745
Attorney for Defendant

ORDER

At a session of this Court, held in Lansing, Ingham County, Michigan,
on September, 24, 2010.

PRESENT: Honorable James R. Giddings
Circuit Court Judge

The parties entered into a Settlement of Dispute Resolution which was signed by counsel
for Plaintiffs on June 22, 2010, and by counsel for Defendant on June 21, 2010. A copy of this

Settlement is attached to this Order. Defendant has not made any payments pursuant to paragraph 2 of the Settlement of Dispute Resolution, nor has Defendant provided the State with the evidence of financial assurance required pursuant to paragraph 3. Failure to comply with either of these requirements of the Settlement of Dispute Resolution imposes the obligations set forth in paragraph 4 of the Settlement which requires Defendant to agree to a stipulated order providing an automatic lien on Defendant's property in favor of the State for the remaining amount.

Wherefore, based on the findings of this Court and the Stipulation of the Parties affixed at the end of this Order, it is Ordered that a lien in favor of the State of Michigan is imposed on all of Defendant's real property located in Lenawee and Hillsdale Counties in the amount of \$580,000.

It is further Ordered that the Plaintiffs are authorized to file the necessary lien on Defendant's property and that Defendant shall cooperate with Plaintiffs in providing the requisite information to enable the Plaintiffs to file the lien.

IT IS SO ORDERED:

Date: September 24, 2010

JAMES R. GIDDINGS

Honorable James R. Giddings
Circuit Judge

IT IS SO STIPULATED:

Alan Hoffman by JCH
Alan Hoffman (P24079)
Attorney for Plaintiffs
Dated: Sept. 22, 2010

Charles R. Bappert by John C. Scherbaum
Charles R. Bappert (P41647)
Attorney for Defendant
Dated: Sept. 22, 2010 by permission Asst. Atty Gen

Lf:vreba-hoff IV/2009-0033822B/stip and order

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VREBA-HOFF DAIRY, LLC,

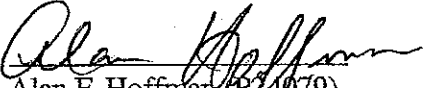
Defendant.

SETTLEMENT OF DISPUTE RESOLUTION

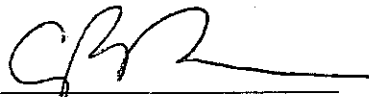
Plaintiffs initiated the dispute resolution process set forth in Section XVII of the Interim Order regarding Defendant's alleged failure to comply with the Court's Orders regarding financial assurance and payment of penalties. The parties agree to resolve the dispute in accordance with the following terms:

1. Within 30 days of this agreement, Defendant shall obtain and submit to Plaintiffs a copy of a certification from a licensed engineer in accordance with XVIII D. and XXI E.2. of the Interim Order that the EarthMentor Treatment Systems for each dairy operation are constructed as designed and capable of treating agricultural waste produced.
2. Defendant shall pay to the State of Michigan the \$180,000 civil fines set forth in XVIII D. of the Interim Order in six installments of \$30,000 every 30 days starting no later than 30 days after the date of the Engineer's Certification as provided to Plaintiffs.
3. Defendant shall provide the State with evidence of financial assurance in the amount of \$400,000 as provided in IX C.8 of the Interim Order. Assurance may be presented in increments of \$40,000 every 30 days starting no later than 30 days after the date of the Engineer's Certification.

4. In the event Defendant fails to do any of the following: 1) obtain a timely certification from a licensed engineer, 2) make any of the aforementioned payments in a timely manner, 3) secure the financial assurance as stated, then Defendant agrees to the entry of a stipulated court order providing an automatic lien on Defendant's property in favor of the State for the remaining amount.


Alan F. Hoffman (P41679)
Attorney for Plaintiffs

6/22/10
Date


Charles Bappert (P41647)
Attorney for Defendant

June 21, 2010
Date